1951 K File No. B. Money Lenders / 51

Legal Dept.

B. BRANCH

Subject:— A Bill to amend the Bombay Money Lenders Act 1946.

L.A. Bill No. XXIII of 1951

Bom. Act No. XIII of 1951

File No. B Money Lenders \ 51

Gen. 194 e.

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Legal Department.

A revised consolidated draft Bill is sent herewith.

2. In addition to the amendments contained in the draft Bill sent to the Department with U.R. No. 14119, dated the 9th October, 1950, the two amendments proposed in this file for exempting non-scheduled banks from the operation of the Act and for recovery of a fee by the money lender from the debtor for supply of a pass book and the third amendment proposed in the linked file No. 1253/38486 for exempting certain loans by landlords to tenants, have been incorporated in the consolidated draft Bill.

3. The intention is to take out of the purview of the Act (except for the purposes of sections 23 and 25) loans advanced by a landlord to his tenant for the purpose of financing of crops or seasonal finance. Although the draft amendment suggested by Development Department in its note of 23rd November 1950 in the linked file below does not restrict such loans to Rs. 50 per acre of land it cannot be the intention to exclude such loans to any unlimited amount. The consolidated draft Bill therefor excludes only loans of not more than Rs. 50/- per acre of land from the scope of the Act.

4. The Bill does not require any sanction or recommendation.

Sd./-
13/12

Additional Secretary to Government.

U.R. to D.D., No. 17678; dated the 13th December, 1950.

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22. 12. 50.
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No. 6075

Legal Department,
Bombay Castle (Bombay No. 1), 14th April, 1951.

From

Shri J.R. Dhurandhar,
Secretary to the Government of Bombay,
Legal Department.

To

The Secretary to the Governor of Bombay.

Subject:- The Bombay Money-lenders (Amendment) Bill, 1951.

Sir,

With reference to article 200 of the Constitution of India, I am directed to forward herewith for the assent of His Excellency the Governor the authentic copy of the Bombay Money-lenders (Amendment) Bill, 1951, which was read for the third time and passed at the meetings of the Bombay Legislative Assembly a d the Bombay Legislative Councils held on the 30th and 31st March 1951, respectively.

2. The subject-matter of the Bill falls under entry 30 in List II in the Seventh Schedule to the Constitution of India. As the Bill does not ~~arise~~ relate to any matter enumerated in the Concurrent Legislative List, it is not necessary to reserve the Bill for the consideration of the President with reference to article 254(2) of the Consitution of India.

3. The date on which His Excellency the Governor's assent given may kindly be entered in the endorsement.

4. I also forward herewith one copy of each of the items Nos. 1, 2 and 4 and two copies of item No. 3 of the papers noted in the margin. The Bill was not referred to a Select Committee.

1. Bill as introduced in the Bombay Legislative Assembly with the Statement of Objects and Reasons.	
2. Bill as read for the third time and passed by the Bombay Legislative Assembly and as introduced in the Bombay Legislative Council.	
3. Bill as read for the third time and passed by the ~~Bombay~~ Bombay Legislative Council.	
4. Extracts from the proveedings of the Bombay Legislative Assembly dated the 29th and 30th March 1951 and of the Bombay Legislative Council dated the 31st March 1951.	

Yours faithfully,

Sd./-
14/4
Secretary to Government.

Through
The Secretary to Government of Bombay,
Development Department.

No. G.S.- 1056.

From

THE SECRETARY TO THE GOVERNOR OF BOMBAY.

To

The Secretary to Government,

Legal Department.

Government House,

Bombay, April 20, 1951.

Subject:- The Bombay Money-Lenders (Amendment) Bill, 1951.

Sir,

With reference to your letter No. 6075, dated April 14, 1951, I am directed to return herewith the authentic copyx of the Bombay Money-lenders (Amendment) Bill, 1951, with His Excellency the Governor's assent signified thereon.

Yours faithfully,

Sd./-
Secretary to the Governor of Bombay.

SVV
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ACTS.

Publication of the Bombay Money-lencers(Amendment) Act, 1951.

GOVERNMENT OF BOMBAY.
Legal Department,
Resolution No. 6537
Bombay Castle, 24th April, 1951.

Letter to the Secretary to the Governor, No. 6075, dated the 14th April, 1951.

Letter from the Secretary to the Governor, No. G.S. 1058, dated the 20th April, 1951.

"With reference tox your letter No. 6075, dated April 14, 1951, I am directed to return herewith the authentic copy of the Bombay Money-lenders (Amendment) Bill, 1951, with His Excellency the Governor's assent signified thereon."

RESOLUTION:- The law should be published as Bombay Act No. XIII of 1951, in the Bombay Government Gazette dated the 24th April, 1951.

2. The act should be translated into Marathi, Gujarati, Kannada and Hindi (in Devnagari script) and the translations should be published in the Bombay Government Gazette.

3. A copy of the Act should be forwarded to the Development Department.

By order of the Governor of Bombay,

Sd./- S. L. Chaudhari,
Deputy Secretary to Government.

To

The Manager, Government Central Press, Bombay (with a copy of the Act and with a request that 30 Gazette copies of the Act may be forwarded to the Legal Department, and 10 copies for the use of the Development Department.)

SVV
22.6.56.
4 c.

REGISTERED No. B-1

The
Bombay Government Gazette
PUBLISHED BY AUTHORITY
SATURDAY, 17TH MARCH 1951.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

PART V

[To be translated into Marathi, Gujarati, Kannada and Hindi (in Devnagari script) and the translations to be published in the " Bombay Government Gazette ". The dates of publication to be reported.]

The following Bill is published under the proviso to rule 80 of the Bombay Legislative Assembly Rules :—

L. A. BILL No. XXIII OF 1951.

A Bill to amend the Bombay Money-lenders Act, 1946.

Bom. XXXI of 1947.

WHEREAS it is expedient to amend the Bombay Money-lenders Act, 1946, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Bombay Money-lenders (Amendment) Act, 1951.

Bom. XXXI

Amendment of section 2 of Bom. XXXI of 1947.

2. In section 2 of the Bombay Money-lenders Act, 1946 (hereinafter referred to as the said Act),—

(*1*) for clause (1), the following shall be substituted, namely :—

"(1) 'bank' means a banking company as defined in the Banking Companies Act, 1949;";

X of 1949.

(*2*) in clause (9),—

(*a*) the words "by way of credit" shall be deleted;

[1](*b*) in sub-clause (*e*), the word "scheduled" shall be deleted;

(*c*) for sub-clause (*g*), the following shall be substituted, namely :—

"(*g*) except for the purposes of sections 23 and 25,—

(*i*) a loan to a trader ;

(*ii*) a loan to a money-lender who holds a valid licence ; or

(*iii*) a loan, by a landlord to his tenant for financing of crops or seasonal finance, of not more than Rs. 50 per acre of land held by the tenant.

Explanation.—The expression "tenant" shall have the meaning assigned to it in the Bombay Tenancy and Agricultural Lands Act, 1948 and the expressions "financing of crops" and "seasonal finance" shall have the meanings assigned to them in the Bombay Agricultural Debtors Relief Act, 1947"; Bom. LXVII of 1948. Bom. XXVIII of 1947.

(*3*) in clause (10), paragraph (*iii*) shall be deleted;

(*4*) clause (16) shall be deleted.

Amendment of section 6 of Bom. XXXI of 1947.

3. In section 6 of the said Act,—

(*1*) in sub-section (*1*),—

(*a*) in paragraph (*iii*) of clause (*b*), for the words "a bank or company" the words "a company" shall be substituted;

(*b*) in clause (*e*), the words "bank or" shall be deleted;

(*2*) in sub-section (*2*), in paragraph (*iii*) of clause (*a*) and in clause (*b*), the word "bank," shall be deleted.

Amendment of section 14 of Bom. XXXI of 1947.

4. In section 14 of the said Act, in sub-clause (*b*) of clause (*ii*) of sub-section (*1*), the word "bank," wherever it occurs, shall be deleted.

Amendment of section 18 of Bom. XXXI of 1947.

5. In section 18 of the said Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) Notwithstanding anything contained in clause (*a*) (*ii*) of sub-section (*2*), the State Government may by order in writing permit such class of money-lenders as may be specified in the order to deliver or cause to be delivered to the Assistant Registrar a statement containing the particulars referred to in clause (*a*) (*i*) of sub-section (*2*) in respect of all loans made during every such period as may be specified in the order. And upon the issue of such order a money-lender electing to deliver a periodical statement as provided in this sub-section shall deliver or cause to be delivered the same within a period of 30 days from the date of expiry of every such period."

Amendment of section 19 of Bom. XXXI of 1947.

6. In section 19 of the said Act, in sub-section (*1*),—

(*1*) in clause (*iii*), after the words "of principal" the following shall be inserted, namely:—

"or in the alternative such of the payments credited first in the account of principal as the money-lender may determine and the remaining payments credited in the account of interest calculated on the basis of the decreased balance of principal and when the balance of interest is fully discharged the residue of the payments, if any, further credited in the account of principal";

(*2*) in clause (*iv*), for the words "principal remaining unpaid and the interest thereon" the words "principal and interest remaining unpaid" shall be sub-stituted.

7. In section 19A of the said Act, in sub-section (*1*),— Amendment of section 19A of Bom. XXXI of 1947.

(*1*) after the words "the statements" the words "or a pass book" shall be inserted;

(*2*) after the words "said sub-sections" the words, brackets, figures and letter "or in respect of copies of statements supplied to him under sub-section (*2A*) of section 18" shall be added.

8. In section 20 of the said Act, after the words "statement of accounts" the words "or a pass book" shall be inserted. Amendment of section 20 of Bom. XXXI of 1947.

9. In section 21 of the said Act, in the Explanation, after the words "statement of accounts" the words "or a pass book" shall be inserted. Amendment of section 21 of Bom. XXXI of 1947.

10. In section 22 of the said Act, and in the marginal note to the said section, the word "bank," shall be deleted. Amendment of section 22 of Bom. XXXI of 1947.

11. In section 25 of the said Act, the proviso to sub-section (*1*) shall be deleted. Amendment of section 25 of Bom. XXXI of 1947.

12. In section 35 of the said Act, the words "or a bank" and the word "bank", where it occurs for the second time, shall be deleted. Amendment of section 35 of Bom. XXXI of 1947.

13. After section 38 of the Act, the following new section shall be inserted, namely:— Insertion of new section 38A in Bom. XXXI of 1947.

"38A. The State Government may delegate to any officer any of the powers conferred on it by or under this Act." Power of State Government to delegate its powers.

STATEMENT OF OBJECTS AND REASONS.

This Bill is mainly intended to remove difficulties in the working of the present provisions of the Bombay Money-lenders Act which have come to notice. The following notes on clauses of the Bill explain the amendments contained therein.

Clause 2 (*1*).—After the coming into force of the Banking Companies Act, 1949, the definition of the term "bank" defined in section 2 (*1*) of the Act requires modification.

Clause 2 (*2*) (*a*).—The High Court has held that the words "by way of credit" occurring in section 2 (*9*) of the Act are redundant. It is, therefore, proposed to delete them.

Clauses 2 (2) (b), 2 (3) and (4), 3, 4, 10 and 12.—It is proposed in consultation with the Reserve Bank of India, that the non-scheduled banks also should be exempted from the provisions of the Act. This requires an amendment of sub-clause (*e*) of clause (9) of section 2 of the Act. Consequential amendments are also being made to sections 2 (*10*), 2 (*16*), 6, 14, 22 and 35 of the Act.

Clause 2 (2) (c).—The term "loan" as defined in section 2 (*9*) of the Act does not include a loan to a trader except for the purposes of sections 23 and 25. It is proposed to include in sub-clause (*g*) of clause (9) of section 2 of the Act, loans to a money-lender who holds a valid licence and loans by landlords to their tenants for financing of crops or seasonal finance, of not more than Rs. 50 per acre of land held by tenants.

Clauses 5, 7, 8 and 9.—Under section 18 of the Act a money-lender is required to furnish the Assistant Registrar of Money-lenders with a statement indicating particulars of loan within 30 days from the date on which it is made. Money-lenders, who have several transactions in a day, e.g. pawn-brokers find it inconvenient to comply with this provision since it involves a large amount of clerical labour. It is proposed to permit them to send periodical returns to Assistant Registrars of Money-lenders. Consequential amendment is also being made to section 19A of the Act.

Under section 19A of the Act the money-lender is authorised to recover from the debtor fees at the prescribed rate subject to the maximum of Rs. 2 per year per debtor for the statements supplied to him and the Assistant Registrar of Money-lenders. An amendment to this section is proposed consequential on the proposed insertion of a new sub-section (*2A*) in section 18 of the Act. It will now be possible for the moneyl-ender to also recover from the debtor such fees subject to the said conditions for supply of pass books to the debtor and copies of statements to the Assistant Registrar.

Clause 6.—Section 19 (*1*) (*iii*) of the Act lays down that all payments made by the debtors should be credited first in the account of interest and the residue, if any, in the account of principal. According to the practice adopted by some money-lenders all payments are credited to the account of principal. This practice would be more favourable to debtors than the present provision. The amendment seeks to authorise this practice provided interest is calculated on the decreasing balance of the principal.

Clause 11.—Under the proviso to section 25 (*1*) of the Act, the maximum rate of interest prescribed is 6 per cent. per annum for secured loans and 9 per cent. per annum for unsecured loans. Government has notified these rates of interest under section 25. The working of the Act has revealed that the number of licences issued to and transactions made by money-lenders are far smaller than warranted by the circumstances regarding credit. The regulation of the business has not therefore been on the lines planned for. The experience elsewhere also indicates that the maximum rates prescribed in our Act are on the low side at least in regard to some classes of transactions. Sliding rates of interest have been provided for in other States. In some other countries, e.g. the United Kingdom, much higher rates are permitted for certain types of loans. Government has carefully considered the question whether :—

(*i*) it should have the power to prescribe the rates of interest ;

or

(*ii*) different schedules of rates of interest should be laid down in the Act itself ; and come to the conclusion that the former is preferable for the reasons that

maximum rates of interest laid down in the Act tend to become minimum rates, and that it may become necessary to alter the rates gradually and reduce them as circumstances change and further experience is gained. This arrangement would not be possible if the rates of interest are prescribed in the Act itself. It is, therefore, proposed to delete the proviso to sub-section (*1*) of section 25 of the Act.

Clause 13.—This clause inserts a new section providing for delegation of powers of State Government under this Act, to any officer.

(Signed) VAIKUNTH L. MEHTA.

Dated the 17th March 1951.

By order of the Governor of Bombay,

J. R. DHURANDHAR,
Secretary to the Government of Bombay,
Legal Department.

Bombay, dated the 17th March 1951.

MG-V v—51

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. XXIII OF 1951.

A Bill to amend the Bombay Money-lenders Act, 1946.

(As read for the third time and passed by the Legislative Assembly on the 30th March 1951.)

Bom. XXXI of 1947.

WHEREAS it is expedient to amend the Bombay Money-lenders Act, 1946, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Bombay Money-lenders (Amendment) Act, 1951.

Bom.

Amendment of section 2 of Bom. XXXI of 1947.

2. In section 2 of the Bombay Money-lenders Act, 1946 (hereinafter referred to as the said Act),—

(*1*) for clause (1), the following shall be substituted, namely :—

"(1) 'bank' means a banking company as defined in the Banking X of 1949. Companies Act, 1949;"

(*2*) in clause (9),—

(*a*) the words "by way of credit" shall be deleted;

(*b*) in sub-clause (*e*), the word "scheduled" shall be deleted;

(*c*) for sub-clause (*g*), the following shall be substituted, namely :—

"(*g*) except for the purposes of sections 23 and 25,—

(*i*) a loan to a trader;

(*ii*) a loan to a money-lender who holds a valid licence; or

(*iii*) a loan, by a landlord to his tenant for financing of crops or seasonal finance, of not more than Rs. 50 per acre of land held by the tenant.

Explanation.—The expression "tenant" shall have the meaning assigned to it in the Bombay Tenancy and Agricultural Lands Act, 1948 and the expressions "financing of crops" and "seasonal finance" shall have the meanings assigned to them in the Bombay Agricultural Debtors Relief Act, 1947";

Bom. LXVII of 1948. Bom. XVIII of 1947.

(*3*) in clause (10), paragraph (*iii*) shall be deleted ;

(*4*) clause (16) shall be deleted.

Amendment of section 6 of Bom. XXXI of 1947.

3. In section 6 of the said Act,—

(*1*) in sub-section (*1*),—

(*a*) in paragraph (*iii*) of clause (*b*), for the words "a bank or company" the words "a company" shall be substituted ;

(*b*) in clause (*e*), the words "bank or" shall be deleted ;

(*2*) in sub-section (*2*), in paragraph (*iii*) of clause (*a*) and in clause (*b*), the word "bank," shall be deleted.

Amendment of section 14 of Bom. XXXI of 1947.

4. In section 14 of the said Act, in sub-clause (*b*) of clause (*ii*) of sub-section (*1*), the word "bank,", wherever it occurs, shall be deleted.

Amendment of section 18 of Bom. XXXI of 1947.

5. In section 18 of the said Act, after sub-section (*2*), the following sub-section shall be inserted, namely :—

"(*2A*) Notwithstanding anything contained in clause (*a*) (*ii*) of sub-section (*2*), the State Government may by order in writing permit such class of money-lenders as may be specified in the order to deliver or cause to be delivered to the Assistant Registrar a statement containing the particulars referred to in clause (*a*) (*i*) of sub-section (*2*) in respect of all loans made during every such period as may be specified in the order. And upon the issue of such order a money-lender electing to deliver a periodical statement as provided in this sub-section shall deliver or cause to be delivered the same within a period of 30 days from the date of expiry of every such period."

Amendment of section 19 of Bom. XXXI of 1947.

6. In section 19 of the said Act, in sub-section (*1*),—

(*1*) in clause (*iii*), after the words "of principal" the following shall be inserted, namely :—

"or in the alternative such of the payments credited first in the account of principal as the money-lender may determine and the remaining payments credited in the account of interest calculated on the basis of the decreased balance of principal and when the balance of interest is fully discharged the residue of the payments, if any, further credited in the account of principal";

(*2*) in clause (*iv*), for the words "principal remaining unpaid and the interest thereon" the words "principal and interest remaining unpaid" shall be substituted:

7. In section 19A of the said Act, in sub-section (*1*),— Amendment of section 19A of Bom. XXXI of 1947.

(*1*) after the words "the statements" the words "or a pass book" shall be inserted;

(*2*) after the words "said sub-sections" the words, brackets, figures and letter "or in respect of copies of statements supplied to him under sub-section (*2A*) of section 18" shall be added.

8. In section 20 of the said Act, after the words "statement of accounts" the words "or a pass book" shall be inserted. Amendment of section 20 of Bom. XXXI of 1947.

9. In section 21 of the said Act, in the Explanation, after the words "statement of accounts" the words "or a pass book" shall be inserted. Amendment of section 21 of Bom. XXXI of 1947.

10. In section 22 of the said Act, and in the marginal note to the said section, the word "bank," shall be deleted. Amendment of section 22 of Bom. XXXI of 1947.

11. In section 25 of the said Act, the proviso to sub-section (*1*) shall be deleted. Amendment of section 25 of Bom. XXXI of 1947.

12. In section 35 of the said Act, the words "or a bank" and the word "bank", where it occurs for the second time, shall be deleted. Amendment of section 35 of Bom. XXXI of 1947.

13. After section 38 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 38A in Bom. XXXI of 1947.

"38A. The State Government may delegate to any officer any of the powers conferred on it by or under this Act." Power of State Government to delegate its powers.

STATEMENT OF OBJECTS AND REASONS.

This Bill is mainly intended to remove difficulties in the working of the present provisions of the Bombay Money-lenders Act which have come to notice. The following notes on clauses of the Bill explain the amendments contained therein.

Clause 2 (1).—After the coming into force of the Banking Companies Act, 1949, the definition of the term "bank" defined in section 2 (*1*) of the Act requires modification.

Clause 2 (2) (a).—The High Court has held that the words "by way of credit" occurring in section 2 (*9*) of the Act are redundant. It is, therefore, proposed to delete them.

Clauses 2 (2) (b), 2 (3) and (4), 3, 4, 10 and 12.—It is proposed in consultation with the Reserve Bank of India, that the non-scheduled banks also should be exempted from the provisions of the Act. This requires an amendment of sub-clause (*e*) of clause (9) of section 2 of the Act. Consequential amendments are also being made to sections 2 (*10*), 2 (*16*), 6, 14, 22 and 35 of the Act.

Clause 2 (2) (c).—The term "loan" as defined in section 2 (*9*) of the Act does not include a loan to a trader except for the purposes of sections 23 and 25. It is proposed to include in sub-clause (*g*) of clause (9) of section 2 of the Act, loans to a money-lender who holds a valid licence and loans by landlords to their tenants for financing of crops or seasonal finance, of not more than Rs. 50 per acre of land held by tenants.

Clauses 5, 7, 8 and 9.—Under section 18 of the Act a money-lender is required to furnish the Assistant Registrar of Money-lenders with a statement indicating particulars of loan within 30 days from the date on which it is made. Money-lenders, who have several transactions in a day, e.g. pawn-brokers find it inconvenient to comply with this provision since it involves a large amount of clerical labour. It is proposed to permit them to send periodical returns to Assistant Registrars of Money-lenders. Consequential amendment is also being made to section 19A of the Act.

Under section 19A of the Act the money-lender is authorised to recover from the debtor fees at the prescribed rate subject to the maximum of Rs. 2 per year per debtor for the statements supplied to him and the Assistant Registrar of Money-lenders. An amendment to this section is proposed consequential on the proposed insertion of a new sub-section (*2A*) in section 18 of the Act. It will now be possible for the moneyl-ender to also recover from the debtor such fees subject to the said conditions for supply of pass books to the debtor and copies of statements to the Assistant Registrar.

Clause 6.—Section 19 (*1*) (*iii*) of the Act lays down that all payments made by the debtors should be credited first in the account of interest and the residue, if any, in the account of principal. According to the practice adopted by some money-lenders all payments are credited to the account of principal. This practice would be more favourable to debtors than the present provision. The amendment seeks to authorise this practice provided interest is calculated on the decreasing balance of the principal.

Clause 11.—Under the proviso to section 25 (*1*) of the Act, the maximum rate of interest prescribed is 6 per cent. per annum for secured loans and 9 per cent. per annum for unsecured loans. Government has notified these rates of interest under section 25. The working of the Act has revealed that the number of licences issued to and transactions made by money-lenders are far smaller than warranted by the circumstances regarding credit. The regulation of the business has not therefore been on the lines planned for. The experience elsewhere also indicates that the maximum rates prescribed in our Act are on the low side at least in regard to some classes of transactions. Sliding rates of interest have been provided for in other States. In some other countries, e.g. the United Kingdom, much higher rates are permitted for certain types of loans. Government has carefully considered the question whether :—

(*i*) it should have the power to prescribe the rates of interest ;

or

(*ii*) diffarent schedules of rates of interest should be laid down in the Act itself ;

and come to the conclusion that the former is preferable for the reasons that maximum rates of interest laid down in the Act tend to become minimum rates, and that it may become necessary to alter the rates gradually and reduce them as circumstances change and further experience is gained. This arrangement would not be possible if the rates of interest are prescribed in the Act itself. It is, therefore, proposed to delete the proviso to sub-section (*1*) of section 25 of the Act.

Clause 13.—This clause inserts a new section providing for delegation of powers of State Government under this Act, to any officer.

VAIKUNTH L. MEHTA.

Dated the 17th March 1951.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. XXIII OF 1951.]

(As read for the third time and passed by the Legislative Assembly on the 30th March 1951.)

A Bill to amend the Bombay Money-lenders Act, 1946.

(Shri VAIKUNTH L. MEHTA, M.L.A.)

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. XXIII OF 1951.

A Bill to amend the Bombay Money-lenders Act, 1946.

(As read for the third time and passed by the Legislative Assembly on the 30th March 1951.)

(As read for the third time and passed by the Legislative Council on the 31st March 1951)

Bom. XXXI of 1947.

WHEREAS it is expedient to amend the Bombay Money-lenders Act, 1946, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Bombay Money-lenders (Amendment) Act, 1951.

Bom. 1947.

Amendment of section 2 of Bom. XXXI of 1947.

2. In section 2 of the Bombay Money-lenders Act, 1946 (hereinafter referred to as the said Act),—

(*1*) for clause (1), the following shall be substituted, namely :—

"(1) 'bank' means a banking company as defined in the Banking Companies Act, 1949 ; " ;

X of 1949.

(*2*) in clause (9),—

(*a*) the words " by way of credit " shall be deleted ;

(*b*) in sub-clause (*e*), the word " scheduled " shall be deleted ;

(*c*) for sub-clause (*g*), the following shall be substituted, namely :—

"(*g*) except for the purposes of sections 23 and 25,—

(*i*) a loan to a trader ;

(*ii*) a loan to a money-lender who holds a valid licence ; or

(*iii*) a loan, by a landlord to his tenant for financing of crops or seasonal finance, of not more than Rs. 50 per acre of land held by the tenant.

Explanation.—The expression " tenant " shall have the meaning assigned to it in the Bombay Tenancy and Agricultural Lands Act, 1948 and the expressions " financing of crops " and " seasonal finance " shall have the meanings assigned to them in the Bombay Agricultural Debtors Relief Act, 1947 " ; Bom. LXVII of 1948. Bom. XXVIII of 1947.

(*3*) in clause (10), paragraph (*iii*) shall be deleted ;

(*4*) clause (16) shall be deleted.

Amendment of section 6 of Bom. XXXI of 1947.

3. In section 6 of the said Act,—

(*1*) in sub-section (*1*),—

(*a*) in paragraph (*iii*) of clause (*b*), for the words " a bank or company the words " a company " shall be substituted ;

(*b*) in clause (*e*), the words " bank or " shall be deleted ;

(*2*) in sub-section (*2*), in paragraph (*iii*) of clause (*a*) and in clause (*b*), the word " bank, " shall be deleted.

Amendment of section 14 of Bom. XXXI of 1947.

4. In section 14 of the said Act, in sub-clause (*b*) of clause (*ii*) of sub-section (*1*), the word " bank, ", wherever it occurs, shall be deleted.

Amendment of section 18 of Bom. XXXI of 1947.

5. In section 18 of the said Act, after sub-section (*2*), the following sub-section shall be inserted, namely :—

" (*2A*) Notwithstanding anything contained in clause (*a*) (*ii*) of sub-section (*2*), the State Government may by order in writing permit such class of money-lenders as may be specified in the order to deliver or cause to be delivered to the Assistant Registrar a statement containing the particulars referred to in clause (*a*) (*i*) of sub-section (*2*) in respect of all loans made during every such period as may be specified in the order. And upon the issue of such order a money-lender electing to deliver a periodical statement as provided in this sub-section shall deliver or cause to be delivered the same within a period of 30 days from the date of expiry of every such period."

Amendment of section 19 of Bom. XXXI of 1947.

6. In section 19 of the said Act, in sub-section (*1*),—

(*1*) in clause (*iii*), after the words " of principal " the following shall be inserted, namely :—

" or in the alternative such of the payments credited first in the account of principal as the money-lender may determine and the remaining payments credited in the account of interest calculated on the basis of the decreased balance of principal and when the balance of interest is fully discharged the residue of the payments, if any, further credited in the account of principal " ;

(*2*) in clause (*iv*), for the words " principal remaining unpaid and the interest thereon " the words " principal and interest remaining unpaid " shall be substituted.

Amendment of section 19A of Bom. XXXI of 1947.

7. In section 19A of the said Act, in sub-section (*1*),—

(*1*) after the words "the statements" the words "or a pass book" shall be inserted ;

(*2*) after the words "said sub-sections" the words, brackets, figures and letter "or in respect of copies of statements supplied to him under sub-section (*2A*) of section 18" shall be added.

Amendment of section 20 of Bom. XXXI of 1947.

8. In section 20 of the said Act, after the words "statement of accounts" the words "or a pass book" shall be inserted.

Amendment of section 21 of Bom. XXXI of 1947.

9. In section 21 of the said Act, in the Explanation, after the words "statement of accounts" the words "or a pass book" shall be inserted.

Amendment of section 22 of Bom. XXXI of 1947.

10. In section 22 of the said Act, and in the marginal note to the said section, the word "bank," shall be deleted.

Amendment of section 25 of Bom. XXXI of 1947.

11. In section 25 of the said Act, the proviso to sub-section (*1*) shall be deleted.

Amendment of section 35 of Bom. XXXI of 1947.

12. In section 35 of the said Act, the words "or a bank" and the word "bank", where it occurs for the second time, shall be deleted.

Insertion of new section 38A in Bom. XXXI of 1947.

13. After section 38 of the said Act, the following new section shall be inserted, namely :—

Power of State Government to delegate its powers.

"38A. The State Government may delegate to any officer any of the powers conferred on it by or under this Act."

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. XXIII OF 1951

(As read for the third time and passed by the Legislative Assembly on the 30th March 1951.)

(As read for the third time and passed by the Legislative Council on the 31st March 1951.)

A Bill to amend the Bombay Money-lenders Act, 1946.

[Shri VAIKUNTH L. MEHTA, M.L.A.]

MO-V Bk Hb 11—2

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separate paging is given to this Part in order that it may be filed as a separate compilation.

PART IV

Acts of the Bombay Legislature and Ordinances promulgated and Regulations made by the Governor.

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The following Act of the Bombay Legislature having been assented to by the Governor on the 19th April 1951 is hereby published for general information.

J. R. DHURANDHAR,
Secretary to the Government of Bombay,
Legal Department.

BOMBAY ACT No. XIII OF 1951.

(First published, after having received the assent of the Governor, in the "Bombay Government Gazette" on the 24th April 1951.)

An Act to amend the Bombay Money-lenders Act, 1946.

WHEREAS it is expedient to amend the Bombay Money-lenders Act, 1946, for the purposes hereinafter appearing; It is hereby enacted as follows :—

I of 1947.

1. This Act may be called the Bombay Money-lenders (Amendment) Act, 1951. Short title.

Bom. XXXI of 1947.

2. In section 2 of the Bombay Money-lenders Act, 1946 (hereinafter referred to as the said Act),— Amendment of section 2 of Bom. XXXI of 1947.

(*I*) for clause (1), the following shall be substituted, namely :—

"(1) 'bank' means a banking company as defined in the Banking Companies Act, 1949 ;" ;—

X of 1949.

(2) in clause (9),—

(a) the words "by way of credit" shall be deleted ;

(b) in sub-clause (e), the word "scheduled" shall be deleted ;

(c) for sub-clause (g), the following shall be substituted, namely :—

"(g) except for the purposes of sections 23 and 25,—

(i) a loan to a trader ;

(ii) a loan to a money-lender who holds a valid licence ; or

(iii) a loan, by a landlord to his tenant for financing of crops or seasonal finance, of not more than Rs. 50 per acre of land held by the tenant.

Explanation.—The expression "tenant" shall have the meaning assigned to it in the Bombay Tenancy and Agricultural Lands Act, 1948 and the expressions "financing of crops" and "seasonal finance" shall have the meanings assigned to them in the Bombay Agricultural Debtors Relief Act, 1947" ; Bom. LXV of 1948 Bom. XXVIII of 1947.

(3) in clause (10), paragraph (iii) shall be deleted ;

(4) clause (16) shall be deleted.

-----nt of section 6 of Bom. XXXI of 1947.

3. In section 6 of the said Act,—

(1) in sub-section (1),—

(a) in paragraph (iii) of clause (b), for the words "a bank or company" the words "a company" shall be substituted ;

(b) in clause (e), the words "bank or" shall be deleted ;

(2) in sub-section (2), in paragraph (iii) of clause (a) and in clause (b), the word "bank," shall be deleted.

Amendment of section 14 of Bom. XXXI of 1947.

4. In section 14 of the said Act, in sub-clause (b) of clause (ii) of sub-section (1), the word "bank,", wherever it occurs, shall be deleted.

Amendment of section 18 of Bom. XXXI of 1947.

5. In section 18 of the said Act, after sub-section (2), the following sub-section shall be inserted, namely :—

"(2A) Notwithstanding anything contained in clause (a) (ii) of sub-section (2), the State Government may by order in writing permit such class of money-lenders as may be specified in the order to deliver or cause to be delivered to the Assistant Registrar a statement containing the particulars referred to in clause (a) (i) of sub-section (2) in respect of all loans made during every such period as may be specified in the order. And upon the issue of such order a money-lender electing to deliver a periodical statement as provided in this sub-section shall deliver or cause to be delivered the same within a period of 30 days from the date of expiry of every such period."

6. In section 19 of the said Act, in sub-section (*1*),— Amendment of section 19 of Bom. XXXI of 1947.

(*1*) in clause (*iii*), after the words " of principal " the following shall be inserted, namely :—

" or in the alternative such of the payments credited first in the account of principal as the money-lender may determine and the remaining payments credited in the account of interest calculated on the basis of the decreased balance of principal and when the balance of interest is fully discharged the residue of the payments, if any, further credited in the account of principal " ;

(*2*) in clause (*iv*), for the words " principal remaining unpaid and the interest thereon " the words " principal and interest remaining unpaid " shall be substituted.

7. In section 19A of the said Act, in sub-section (*1*),— Amendment of section 19A of Bom. XXXI of 1947.

(*1*) after the words " the statements " the words " or a pass book " shall be inserted ;

(*2*) after the words " said sub-sections " the words, brackets, figures and letter " or in respect of copies of statements supplied to him under sub-section (*2A*) of section 18 " shall be added.

8. In section 20 of the said Act, after the words " statement of accounts " the words " or a pass book " shall be inserted. Amendment of section 20 of Bom. XXXI of 1947.

9. In section 21 of the said Act, in the Explanation, after the words " statement of accounts " the words " or a pass book " shall be inserted. Amendment of section 21 of Bom. XXXI of 1947.

10. In section 22 of the said Act, and in the marginal note to the said section, the word " bank, " shall be deleted. Amendment of section 22 of Bom. XXXI of 1947.

11. In section 25 of the said Act, the proviso to sub-section (*1*) shall be deleted. Amendment of section 25 of Bom. XXXI of 1947.

12. In section 35 of the said Act, the words " or a bank " and the word " bank ", where it occurs for the second time, shall be deleted. Amendment of section 35 of Bom. XXXI of 1947.

13. After section 38 of the said Act, the following new section shall be inserted, namely :— Insertion of new section 38A in Bom. XXXI of 1947.

" 38A. The State Government may delegate to any officer any of the powers conferred on it by or under this Act." Power of State Government to delegate its powers.

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